



# PRESS RELEASE

15 JANUARY 2008



## **TRADING UPDATE: FOURTH QUARTER 2007 AND FULL YEAR 2007**

### **ARSEUS GENERATES OVER 300 MILLION EURO TURNOVER IN 2007 DOUBLE DIGIT GROWTH FOR BOTH FOURTH QUARTER AND FULL YEAR 2007**

Waregem, Belgium 15 January 2008 – Arseus generated 90.3 million euro sales in the fourth quarter, thus bringing the full year turnover to 304.4 million euro. The fourth quarter was the third consecutive one in which Arseus has achieved double digit sales growth. Turnover increased by 10% for the full year 2007. Organic growth amounted to 7% in the fourth quarter and 6% on an annual basis.

The evolution of the turnover per business unit is as follows:

| Non-audited management figures<br>in EUR million | Q4/2007     | Q4/2006     | % evolution<br>2007 / 2006 | FY 2007      | FY 2006      | % evolution<br>2007 / 2006 |
|--|-------------|-------------|----------------------------|--------------|--------------|----------------------------|
| Fagron   | 33.3        | 27.3        | 22%                        | 110.0        | 96.8         | 14%                        |
| Arseus Dental                                    | 36.0        | 34.3        | 5%                         | 118.3        | 107.6        | 10%                        |
| Arseus Medical                                   | 13.1        | 13.7        | -4%                        | 49.5         | 47.3         | 5%                         |
| Corilus  | 7.9         | 6.9         | 14%                        | 26.6         | 25.3         | 5%                         |
| <b>Total</b>                                     | <b>90.3</b> | <b>82.2</b> | <b>10%</b>                 | <b>304.4</b> | <b>277.0</b> | <b>10%</b>                 |

Fagron generated 22% growth in the fourth quarter, of which 11% was organic growth. On an annual basis, total growth amounts to 14% with organic growth at 8%. In the Netherlands, Fagron Group companies (Spruyt Hillen, Timm Healthcare, and Fagron Nederland) generated 14% growth. This success was due principally to the introduction of new products and increased sales and marketing activities.

Fagron Iberica also witnessed a successful year with double digit growth. The introduction of innovative products and concepts was at the core of this success. In Germany, a new management team was put in place during the middle of the year which intends to accelerate growth following the completion of an internal reorganization. The sales contribution of the Greenfield operations in both France and the UK remains limited at present, but represents a healthy opportunity for further growth in 2008. Polichimica (Italy) has completed its first integration exercise into the Fagron Group, and is ready to deploy additional sales and marketing activities in 2008.

Fagron Industry- the activities for industrial pharmaceutical raw materials, started in 2006 - witnessed a remarkable growth in 2007 and is gaining further professionalism, thus evolving to a full-fledged pillar within the Fagron Group.

**Arseus Dental** scored a 5% organic growth in the fourth quarter. For the full year, growth amounted to 10%, of which 5% was organic growth. Turnover in the consumables segment for dentists has been further reduced as margins continue to be under pressure. This also explains the considerably higher growth in the segments of investments goods for dentists and for dental labs. In France and the Netherlands, these latter segments are growing at double digit rates. As part of the Arseus Dental global strategy, the company is building a major position in these two segments, which are characterized by a strong growth potential. Given this perspective, Arseus Dental has extended the existing exclusive distribution agreement with XO Care in Belgium to include the Netherlands, Germany, and Northern France. XO Care is a Danish manufacturer of high-value dentist chairs.

**Arseus Medical** experienced a slightly weaker quarter (-4%). The decrease in turnover is mainly due to a recent regulatory change impacting the sales of wheel chairs in Belgium. Henceforth, wheel chairs can no longer be sold, but only rented in Belgium. Obviously, this will also impact turnover in subsequent quarters. Turnover in the Netherlands was characterized by a remarkable growth of approximately 10%, which also reflects the organization's focus on premium products with a high added value.

On an annual basis, the internal growth of Arseus Medical amounts to 5%. Management's priority is to consolidate the company's strong position in the Benelux, to attract new distribution contracts in segments where Arseus Medical is able to offer high added value, and to further improve the organization's profitability.

**Corilus** attained a successful 14% organic growth in the traditionally strong fourth quarter. Despite the further erosion of hardware prices, Corilus management has achieved a growth in turnover for the second consecutive quarter. The reorganization, combined with the new commercial approach, i.e. focus on marketing and increased sales activities, has obviously borne fruit.

In 2008, management will also focus more on synergies with other group divisions (Fagron, Arseus Dental, and Arseus Medical) in order to further valorize the competitive advantage of a 'totally integrated solutions provider'. This new strategy, combined with the introduction of Greenock, the new software package for pharmacists, should assure further growth in 2008.

#### **Prognosis<sup>1</sup>**

Arseus has performed significantly better than the sales target of 300 million euro for 2007. For 2008, management expects a continued organic growth of about 7% to 8%. A number of acquisition dossiers are expected to be completed in the course of the first half year of 2008.

#### **For more information, please contact:**

Ger van Jeveren, CEO: [ger.van.jeveren@arseus.com](mailto:ger.van.jeveren@arseus.com) - Tel +31 88 33 11 200

Jan Peeters, CFO: [jan.peeters@arseus.com](mailto:jan.peeters@arseus.com) - Tel. +31 88 33 11 200

---

<sup>(1)</sup> Disclaimer: This press release contains forward-looking information which is based on current internal estimates and expectations as well as market expectations. Forward-looking statements contain inherent risks and apply exclusively on the date they are made. The actual results may differ substantially from those included in the forward-looking statements.